

- » Gaining more leads by deploying the gated offer
- » Turning leads into customers
- » Filling out checklists to ensure high opt-ins and conversions
- » Increasing your bottom line

Chapter 3

Crafting Winning Offers

Whether you're asking people to buy something, give you their contact information, or spend time reading your blog, you're making an offer. The way in which you make your offers — and perhaps more important, the *sequence* in which you make them — will make or break your ability to convert your prospects.

You should think of creating and nurturing relationships with your customers in the same way that you develop relationships with your friends and family. Your business might sell business to business (B2B) or business to consumer (B2C), but all businesses sell human to human (H2H). Real, individual people are buying your products and services.

Consider how perfect strangers become a married couple. The marriage proposal is an offer that is made after a sequence of other offers are made and deemed successful by both parties. Sure, the occasional marriage proposal on the first date occurs, but most relationships begin with a series of positive interactions over a period of time.

Although most people aren't likely to propose marriage on a first date, many businesses do the equivalent of that with their prospects. They ask cold prospects to buy high-ticket, complex, and otherwise risky products and services before the relationship is ready for that offer. On the other hand, a customer who has received tremendous value from your company over a period of time is much more likely to make a high-dollar, complex, or otherwise risky purchase.

In this chapter, we unpack the different types of offers you can make, the goals of those offers, and the order in which you should present them to prospective, new, and loyal customers. The offers explained in this chapter focus on acquisition and monetization campaigns (discussed in Chapter 2).

Offering Value in Advance

Doing business online is different from doing business in person or even over the phone. In many cases, the prospective customer has no further information about your business than what is presented to her online. To acquire new leads and customers, you need to build trust and *lead with value* to build a relationship with your prospects or customers.

A successful relationship is a two-way street. Both sides of the relationship must benefit from the relationship, and because your company wants to begin this new relationship with a prospect, it makes sense for you to provide value first. Prospects won't become loyal customers if you don't first provide some value that *builds trust in advance of asking them to buy*. The good news is that you can provide this value with something as simple as an insightful, informative blog post or podcast that helps them solve a problem. You offer this value for free and with no strings attached to begin a healthy and mutually beneficial relationship.

We call acquisition offers that lead with value *entry point offers*, or EPOs. An EPO in a dating relationship equates to offering to buy someone a cup of coffee. This coffee offer, which has begun many healthy dating relationships, is a relatively risk-free proposition that provides value upfront. When your goal is to acquire a customer (and not a spouse), the EPO is a way of allowing large amounts of prospective customers to get to know, like, and trust your business without much risk.

There are three types of EPOs:

- » **Ungated:** You usually present this type of offer in the form of a blog post, video, or podcast, and it does not require contact information or a purchase to get value.
- » **Gated:** A gated offer requires contact information (name, email address, and so on) to get value.
- » **Deep discount:** This offer requires a purchase but at an extreme discount, usually 50 percent or greater.



TIP

It pays to provide tremendous value to your prospective customers when you're trying to gain their trust. This idea can seem counterintuitive to some people because they don't see the immediate return on this investment.



REMEMBER

The goal of your marketing is to transform people from being completely unaware of your products or services to being raving fans who promote your products and services to anyone who will listen. The foundation of the relationships you build with your customers is built on offers that provide value in advance of the purchase.

Designing an Ungated Offer

Offers that require no risk on the part of prospective customers are the most powerful way to begin to cultivate strong relationships with customers. An *ungated offer* such as an informative article, video, or podcast gives value without asking for contact information or a purchase. That said, these are still offers. You are offering value to prospects in exchange for their time. And for many people, no other resource is more precious than time.

The value provided by the business is generally made available to prospects using content such as blog posts, social media updates, or videos. Successful digital marketers make free content available that provides one of the following values:

- » **Entertainment:** People pay a lot of money to be entertained, and content that makes a person laugh is content that is likely to be remembered. It's why commercials try to make you laugh (think the gecko from Geico or Flo from Progressive); they have only 30 to 60 seconds to cut through all the noise and get you to remember their product or service. Video advertisements from Poo-Pourri and Old Spice on YouTube are prime examples of marketers providing entertaining content that gets their message across.
- » **Inspiration:** People are highly moved by content that makes them feel something. The sports and fitness industry taps into this sentiment with taglines like "Just do it," by Nike, or Fitbit campaigns showing everyday people (as opposed to celebrities and professional athletes) achieving their goals using Fitbit. Weight-loss businesses also use inspirational content by using successful customer testimonials and "before" and "after" images.
- » **Education:** Ever go to YouTube to watch a how-to video? From DIY projects to "how to rebuild a car engine," you can easily find educational content online. People want knowledge, and providing it helps build trust. Entire blogs, sites, YouTube channels, and businesses are built around educating people, to great success. That's why Wikipedia gets over 9 billion page views a month.

The first two value propositions (entertainment and inspiration) can be difficult to execute. But the third is within the grasp of every company. In Chapters 4 and 5, we go into more detail about the form and function of the various types of ungated content that can be produced.



REMEMBER

The production of content by brands is at an all-time high. An absolute glut of content is produced on blogs, YouTube channels, and social media sites every day. That said, an insatiable demand still exists for great ungated content. Don't make the mistake of thinking that because this content is free, it does not deserve the time and energy of your other offers. An ungated offer is, in many cases, the first transaction that a prospective customer will have with your company, and you should make it a successful one.

Designing a Gated Offer

To graduate someone from the stage of prospect to lead, you need a gated offer that requires prospects to submit their contact information to receive value. A *gated offer* provides a small chunk of value that solves a *specific* problem for a *specific* market and is offered in exchange for the prospects' contact information. That contact information is typically an email address, at a minimum. Returning to the dating relationship analogy earlier in the chapter, a gated offer is the equivalent of a first date. A gated offer might take the form of a white paper, a case study, or a webinar. For example, Figure 3-1 shows how HubSpot makes valuable information available in the form of a white paper that requires contact information such as name, email address, and a phone number.

FIGURE 3-1: HubSpot asks for contact info in exchange for this yearly report.



Source: <https://www.hubspot.com/state-of-marketing>



REMEMBER

A gated offer is an exchange in value. No money changes hands; instead, you provide your new lead something of value in exchange for the right to contact the lead in the future. Gated offers are free, and a common notion among digital marketers is that because they're giving the gated offer away for free, the product or service offered doesn't have to be of high quality. That's a mistake. Free does not mean low quality. When someone exchanges his contact information and gives you permission to follow up with him, he has given you value, and a transaction has taken place. This prospect has given you something that's typically private, as well as some of his time and attention. You need to return that value if you hope to build the relationship that is required for lifelong customers. The end goal of a gated offer is to gain leads so that you can nurture them into customers over time.

Revisit the definition of a gated offer (“a gated offer provides a small chunk of value that solves a *specific* problem for a *specific* market and is offered in exchange for prospects' contact information”) — and pay particular attention to the “specific” parts. Specificity is the key to a successful gated offer because it makes your offer more relevant to your audience. A lead form that simply states “Subscribe to our newsletter” is not a gated offer that will get you high conversions because it does not solve a specific problem. In the next section of this chapter, we discuss how to make your gated offer convert prospects by making it specific in terms of problem-solving, which will make your gated offer more relevant to your audience.

Zeroing in on what matters

In the previous section, we establish the idea that a specific and relevant gated offer works best for generating high opt-ins. But what does making the offer specific and relevant entail? High-converting gated offers include one, or a combination, of the following five aspects, in a specific form:

- » A promise
- » An example
- » A shortcut
- » A solution
- » A discount

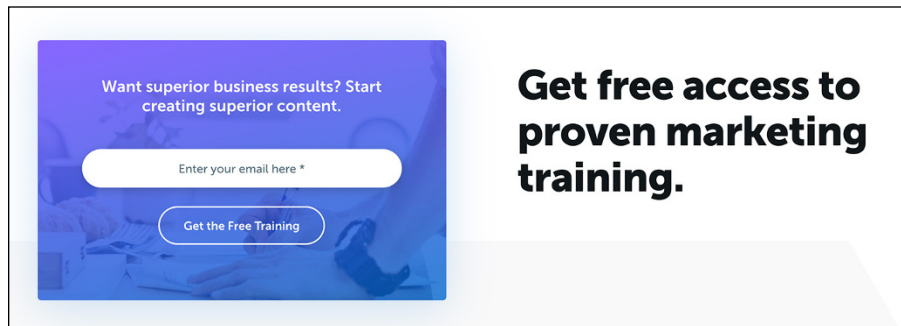
Including at least one of these five items will help your conversion rates. The following sections take a look at each of these items.

Making a specific promise

Making a specific promise is one of the simplest things you can do to increase the number of leads you receive from a gated offer. Look at the offer that you're delivering and think about how you can make the benefit of the offer more evident. Consider how you can speak to the specific desired end result of your prospect.

Craft a clear promise and then make sure that your promise is in the title of your gated offer. Generic or clever titles generally decrease the conversions on your gated offer. Many marketers are guilty of coming up with cutesy titles or using industry jargon in the title that your market may not understand. In your gated offer's title, talk less about your product and more about your target audience. Specifically communicate, in the gated offer's title, the benefit the gated offer will provide that target audience. Speak to the conversation that is going on inside the mind of your customer, not the one that you're having around the business table. Ask yourself, what are your target audience's concerns, fears, or desires? Think of the desired end result that your customer is seeking, and put that in the title. The gated offer shown in Figure 3-2 delivers a specific promise that resonates with its market.

FIGURE 3-2: Copyblogger's gated offer clearly states what people can expect when they input their contact information.



Source: <https://copyblogger.com/>

Giving a specific example

In our experience, the best way to give a specific example in your gated offer is to deliver it in the form of a case study. If you have examples of real customers and prospects who have overcome problems with your product or service, these can work well as gated offers.

For instance, if your company sells surveillance cameras to universities, you might create a case study entitled "How State University Reduced Campus Crime by 73 Percent" that details how the university used surveillance camera technology to reduce acts of crime on the state campus. This headline clearly states the benefit and uses an example to add specificity to the gated offer.

Offering a specific shortcut

A gated offer that can save a person time is appealing and often converts well. For example, a gated offer that delivers a list of healthy snacks a person can eat throughout the day is a useful shortcut for someone looking to eat a more nutritious diet.

Answering a specific question

The fourth way you can make your gated offer more specific is by raising and answering a specific question. If the answer to the question is valuable, your prospects opt in to get the answer to that specific question. After you've answered the question, you will have delivered on your promise and helped to establish yourself as an authority on the subject, which in turn helps build trust and moves the prospect closer to becoming a customer.

Delivering a specific discount

Price discounts can be a great way to spur sales, and many companies offer coupons that slash prices in the hope of creating a buying frenzy. But instead of handing out discounts, consider asking a prospect to opt in to receive the discount. For instance, your gated offer might say, "Join our Discount Club and receive 10% off any order." This wording is effective because it specifically tells the prospect how much she'll save.

Generating leads with educational content

In this section, we discuss five forms that your gated offer can take. These gated offers deliver value by educating the lead on a particular topic related to your brand while also highlighting features of a solution, product, or service you provide.



TIP

Your gated offer does not have to be the length of a Tolstoy novel. Besides being ultraspecific, gated offers should be easy to consume — they should not be a 14-day course or a 300-page book. Rapid consumption of the gated offer is important because you want to provide value to your lead as quickly as possible. The faster your gated offer provides value, the quicker a lead can become a paying customer. Because most gated offers can be sent digitally, they can be delivered instantly, allowing the lead to receive the value of the gated offer quickly. Ideally, prospects receive value from your gated offer within minutes of giving you their contact information. Speedily delivering value helps to build a positive relationship with leads, as well as to quickly move them through the customer journey. (Turn to Chapter 1 for more information on the customer journey.)

Free reports

Reports (also called *guides*) are among the most common types of gated offers and are usually mostly text and images. Reports usually offer facts, news, and best practices that are relevant to your industry and your target market. If you use a report as your gated offer, however, be careful. Reports can be lengthy and complex, thus they often take more time to be consumed. This means that the report will take longer to deliver on its value. Therefore, whenever possible, keep your reports as succinct and specific as possible so that they can quickly deliver their value and help to establish or reinforce a positive relationship with your lead or customer.

White papers

As is true of a report, a *white paper* is an authoritative guide that concisely informs readers about a complex issue and aims to help leads solve a problem, or make a decision. Although the white paper helps to educate your prospects, it also helps to promote your business's products or services. White papers can often be very effective at generating business-to-business (B2B) leads.

Primary research

Primary research is research that you or your business collects. It can include interviews and observations. When you take the time to create new research, you're providing a service and saving others from having to do their own primary research, which is why people opt in to a gated offer of this nature.

Webinar training

If you're an expert in your field, or can partner with one, you can host an online training via a webinar that teaches or demonstrates a topic that is relevant to both your brand and to your target audience. You create a gated offer that requires prospects to fill out a registration form for the webinar, thus capturing prospects' contact information and allowing you to follow up with them after the webinar takes place.

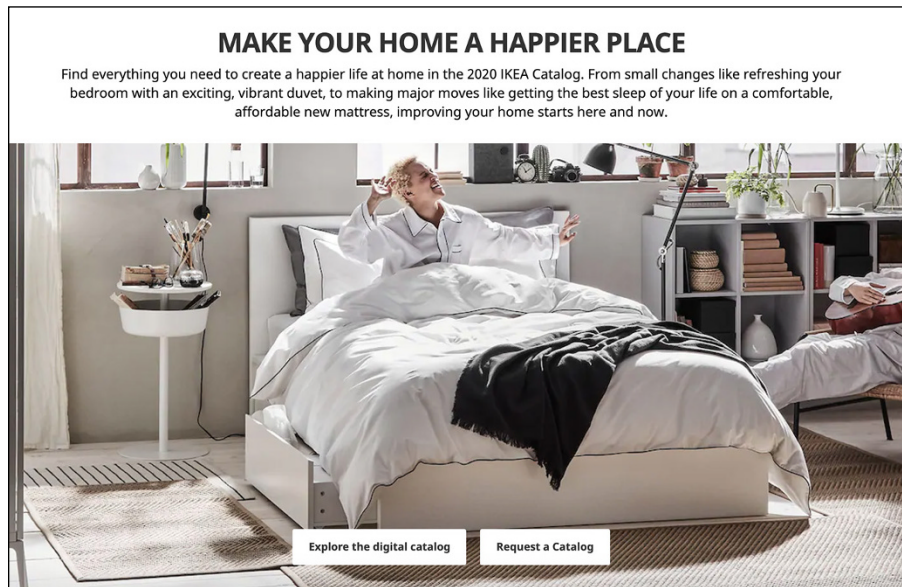
Sales material

In some cases, the most desired pieces of information for your market are pricing and descriptions of your products or services. This information helps people who are interested in buying your product or service make informed decisions. The sales material gated offer tends to be longer, in text and content examples such as images or customer testimonial videos, than the other examples in this chapter so far. However, this length is necessary because a person generally needs more information before making a purchase, especially if a big-ticket item is involved.

However, this also means that anyone who opts in is more likely to be a qualified lead. A *qualified lead* is someone who is actively seeking more information about your products or services because he or she is interested in buying from you. (An unqualified lead may not have been nurtured enough to make a purchase yet, or isn't sure of what your company does or even what solution he or she seeks.)

IKEA provides a wonderful example of the sales material gated offer. The Scandinavian chain collects contact information in exchange for its catalog, which lists all its products. Figure 3-3 demonstrates IKEA's gated offer, and because IKEA can deliver its catalog digitally, it speeds up the delivery of value to the new lead.

FIGURE 3-3:
IKEA's sales catalog is an ideal example of a sales material gated offer.



Source: <https://www.ikea.com/ext/us/ikeacatalog/>

Generating leads with tools

Tools make powerful gated offers because they often deliver value *much faster* than the educational gated offers discussed in the previous section. Although white papers, reports, and case studies require someone to invest time in order to receive value, a tool is often immediately useful.

Handout or cheat sheet

Though similar to a free report, both handouts and cheat sheets provide a different value to prospects. A handout or cheat sheet is generally short (one page or so) and cuts straight to an ultraspecific point, making the information easily digestible.

You can deliver handouts and cheat sheets as checklists, mind maps, or “blue-prints,” to name a few examples. Figure 3-4 shows an example of a handout as a gated offer.

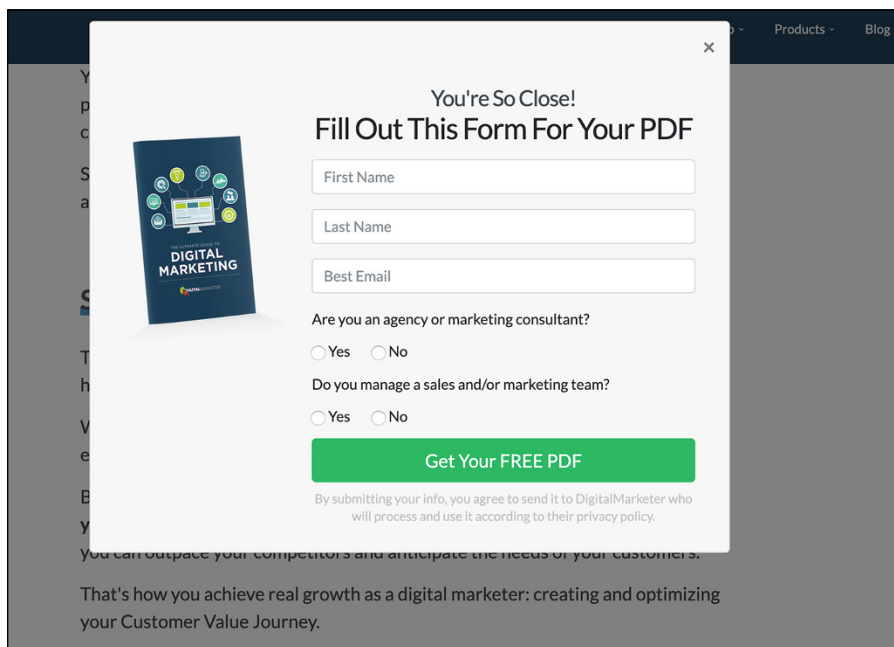


FIGURE 3-4:
A handout is a prime example of useful content that can be gated.

Source: <https://www.digitalmarketer.com/digital-marketing/>

Resource list

If people are learning to do something that you’re an expert in, chances are they’ll want to know what tools you’re using to get it done. This type of gated offer makes a list of tools or resources (be it of apps, physical products, hardware, or other items) available to the new lead or prospect. The toolkit or resource aggregates the list so that the lead doesn’t have to keep searching for more information.

Template

A template is the perfect example of a proven, well-tested shortcut to better results and can make a tremendous gated offer. A template contains a proven pattern for success that requires less work on the part of the person using it. It might come in the form of a spreadsheet preconfigured to calculate business expenses.

Or it can be a layout for designing a custom home. Templates make powerful gated offers because the prospect can put the tool to immediate use.

Software

Software can work well as a gated offer. You might, for example, offer full access to a free software tool that you developed or a free trial (that lasts for 14 days, perhaps) of your software in exchange for an email address. Software companies often offer a free trial of their software as a gated offer. A software gated offer can turn a lead who is on the fence about purchasing the product with a risk-free means of acquiring it, while also providing the company a way to follow up with that lead.

Discount and coupon clubs

Discount and coupon clubs offer exclusive savings and early access to sales. This is an effective type of offer that acquires contact information and allows you to continue the conversation by reminding members of specials and rewards available to them.

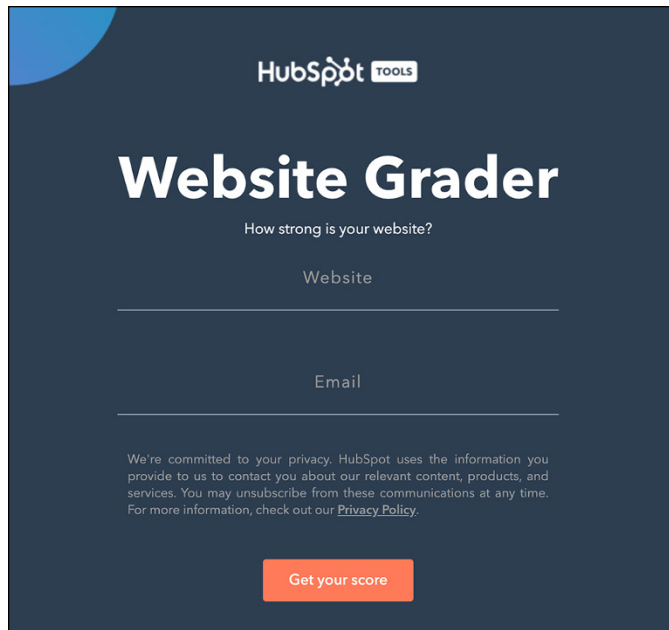
Quizzes and surveys

Quizzes and surveys are fun and engaging for people to take and can be a great way to generate new leads. For instance, a skincare brand might offer a “What’s Your Skin Type” quiz. These types of content are intriguing to members of your market because they want to know the results of the quiz or survey. To obtain the results of the quiz or survey, the prospect must first opt in by entering an email address. If the quiz or survey results provide value to your market, this type of gated offer can be powerful.

Assessment

You can develop a gated offer that assesses or tests prospects on a particular subject. At the end of the assessment, offer prospects a grade and information on actions they can take to improve their grade, which would likely be a tool or service that you provide. For example, Figure 3-5 shows an assessment offer that has been generating leads for HubSpot, a company that sells marketing software, for years. Leads can use the assessment from HubSpot to grade their marketing and make it better.

FIGURE 3-5:
HubSpot
generates leads
with its gated
offer of its
“Website Grader”
assessment.

The image shows a dark blue web form for HubSpot's 'Website Grader' tool. At the top left is a blue curved graphic. The HubSpot logo and 'TOOLS' are at the top center. The title 'Website Grader' is in large white font, followed by the question 'How strong is your website?'. Below this are two input fields: 'Website' and 'Email', each with a horizontal line underneath. A privacy notice in small white text states: 'We're committed to your privacy. HubSpot uses the information you provide to us to contact you about our relevant content, products, and services. You may unsubscribe from these communications at any time. For more information, check out our [Privacy Policy](#).' At the bottom center is an orange button with the text 'Get your score'.

Source: <https://website.grader.com/>

Filling out the gated offer checklist

At our company, we’ve tested gated offers in a lot of different niches and developed an eight-point checklist of factors that can improve your overall level of success by making more effective gated offers. You don’t have to be able to check off every one of the factors in the checklist, but if you find that your gated offer meets very few of these criteria, you have reason to be concerned.

We tell you about each of the factors on the checklist in the following sections.

Point 1: Is your offer ultraspecific?

The more specific the promise of your gated offer is, the better it will perform after you provide that promise. By delivering on your promise, you have given value. This, of course, assumes that the promise you are making is compelling to the market you’re approaching. Make sure that your gated offer isn’t vague and that it offers an ultraspecific solution to an ultraspecific market.

Point 2: Are you offering too much?

Believe it or not, your gated offer will perform better if it delivers on “one big thing” rather than a number of things. We live in a multitasking world, so you want to be sure that your gated offer focuses on one topic or theme and provides

one path for your lead to take. If you include too many paths or offers, your leads can get distracted and go off course as they try to follow all the ideas presented in your gated offer, thereby causing them to not opt in. If possible, offer a single solution to a single problem rather than numerous solutions to numerous problems.

Point 3: Does the offer speak to a desired end result?

The members of your market are searching for solutions. What does your market *really* want? If you can craft a gated offer that promises that solution, prospects will gladly give you their contact information (and their attention) in return.

Point 4: Does the offer deliver immediate gratification?

Your market wants a solution and wants it *now*. Establish and communicate how long it will take your leads to consume and derive value from your gated offer so that they know what to expect. If it takes days or weeks, your gated offer is not delivering immediate gratification — not by a long shot.

Point 5: Does the offer shift the relationship?

The best gated offers do more than inform; they actually change the state and mind-set of your prospects so that they're primed to engage in business with your company. After your leads have taken advantage of your offer, determine whether the value it provides will actually teach the leads how and why they should trust and buy from you. For example, if you sell gardening tools and supplies, a checklist entitled "15 Tools You Need to Create a Successful Container Garden" educates prospects on the tools they need while simultaneously moving them closer to purchasing the products you sell.

Point 6: Does the offer have a high perceived value?

Just because your gated offer is free doesn't mean that it should *look* free. Use good design through the use of professional graphics and imagery to create a gated offer of high perceived value in the mind of your lead.

Point 7: Does the offer have a high actual value?

The right information at the right time can be priceless. The gated offer that delivers something priceless will enjoy very high conversion rates, but if you're promising value, you *have* to deliver on it. A gated offer has high actual value when it lives up to its promise and delivers the goods.

Point 8: Does the offer allow for rapid consumption?

You don't want your gated offer to be a roadblock in the customer's journey toward becoming a customer. Before customers buy from you, they want to receive value from your gated offer. You want the gated offer to help move the lead to the next step, so ideally the gated offer should deliver value immediately. In other words, avoid long e-books or courses that take days or months to deliver their value.



TIP

Why do we keep insisting that your gated offer be quickly and easily consumable? Because after your gated offer has been consumed, you want to make the next offer whenever possible. There is (usually) no better time to make an offer than directly after someone has taken a prior offer. However, few will buy from you if they have not received the value from the last offer you made — your gated offer. So be sure that your gated offer quickly delivers value, allowing you to then make an offer to purchase something, which we discuss in the next section.

Designing Deep-Discount Offers

Acquiring leads is the goal of the gated offer discussed in the previous section, but how do you acquire buyers? Remember that the key to success online is the sequence of the offers you make to new leads and customers. The best way to acquire buyers is by making an offer at such a deep discount that it is difficult to refuse. A *deep-discount offer* is an irresistible, low-ticket offer made to convert leads and cold prospects into buyers.



REMEMBER

The goal of a deep-discount offer is not profit. In fact, selling deep-discount offers may come at a net loss to your company. Offering deep discounts may therefore seem counterintuitive, but the goal of this type of offer is to acquire buyers. Deep-discount offers change relationships; they turn a prospect into a customer, and that's a big deal. After a prospect makes a successful purchase with your company, she is far more likely to buy from you again. Deep-discount offers bring you one step closer to achieving your goal of converting a prospect to a repeat buyer and possibly even a raving fan.

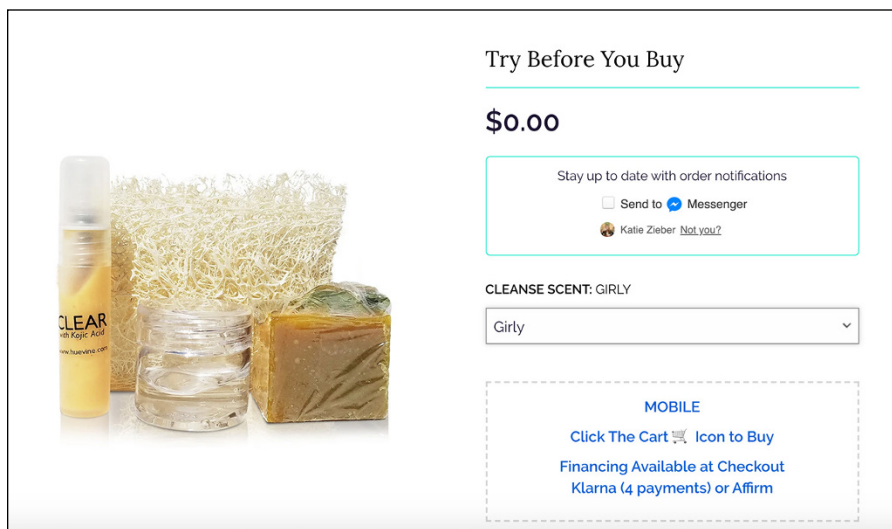
In the following sections, we discuss the six different types of deep-discount offers you can employ.

Using physical premiums

As the name suggests, physical premiums are physical products. Offer something that your market desires and discount it deeply. Beauty counters use this tactic by letting customers test out products for free before they purchase them, or by

letting them take home trial-sized products to try out. Even online retailers have adopted this tactic, as shown in Figure 3-6.

FIGURE 3-6: HueVine uses the free + shipping method for their beauty products.



Source: <https://www.huevine.com/products/try-before-you-buy>

Employing a book

A physical book can make an excellent deep-discount offer. Books have an extremely high perceived and actual value. If you need to establish authority and trust with your market before making more complex or higher-ticket offers, the book is a great deep-discount offer to employ. Consider offering the book at a steep discount, or free plus shipping and handling. Although we don't recommend a physical or digital book for generating leads, it's a highly effective way to convert prospects and leads into customers. Remember, the objective of a deep-discount offer is to change the relationship with a lead or prospect and turn the person into a customer.

Leveraging the webinar

Webinars are one of the most versatile offers available to digital marketers. You can conduct free webinars to generate leads, plus you can offer a webinar as a product. Remember that when you're charging for anything and particularly a webinar, you should deliver value beyond what you've charged to attend.



TIP

When employing a webinar to serve as a deep-discount offer, you may not want to use the term *webinar* in your offer. People generally associate that term with something free. Consider calling your deep-discount-offer webinar a teleclass, online training, or boot camp instead. It can be prerecorded or held live.

Selling software

Software and application plug-ins are effective deep-discount offers because software saves people time and energy, so these are highly sought-after commodities. When you use software as a deep-discount offer, the deep discount price is likely to cause a “buying frenzy,” resulting in a highly successful acquisition campaign.

Splintering a service

If your business has a high-dollar product or service, you can take a small piece of that product, also known as a *splinter*, and sell it *à la carte*. The key is to offer a piece of your service that can stand alone at an incredibly low price.

An example of a company that uses this approach is Fiverr, an online marketplace that offers tasks and services starting at \$5. Figure 3-7 shows one of these Fiverr services, which include creating business logos. This is an excellent example of offering *part* of a highly sought-after service at a deep discount that will help turn a lead into a customer and can ultimately lead to more sales. After a person has bought from you, he’s likely to buy from you again.

FIGURE 3-7:
Through Fiverr,
larger services
can be splintered
into smaller,
single projects.



Source: https://www.fiverr.com/gfx_expert2/create-retro-vintage-logo

Because you're breaking out a part or splinter of your service, you don't have to create a new service. Instead, you're offering a portion of an existing product or service.

Brainstorming “little victories” to offer your leads

Because deep-discount offers are low priced, low risk, and highly desirable, they help your leads overcome doubt about your business or product. Less monetary risk is involved for the leads, so they're willing to take a chance and become customers. However, it can be harder for a marketer or a business owner to overcome the self-doubt that leads may have about themselves or their ability to reach the “After” state that your product or service promises to take them to. That's why the best deep-discount offers lead the customer to a “little victory.”

A “little victory” is something that helps inspire your leads and gives them confidence that they can accomplish whatever solution or goal you're offering, as well as the confidence that your product or service will help to get them there. A little victory gives your prospects hope and a taste of achieving the whole thing — of making it to the other side of the tunnel, so to speak. Keep in mind that little victories are usually quick to achieve and help deliver value to your customer.

For instance, if you're in the fitness world, you can offer a discounted, seven-day introductory class as a deep-discount offer. When describing the offer to potential buyers, you state that completing this first seven days is the hardest part of your program — because getting started is often the hardest part. If they can get through your seven-day program, they'll know that the toughest part is behind them.

As you go through your products and services to determine which will make the best deep-discount offer, ask yourself what little victory this product or service can provide your customers. Brainstorm how it will give them hope, how it will help to get them over the hump of self-doubt. You should help your customers see that success is possible not only for the smiling customers in your testimonials but also for *them*, personally. This helps make your offer more potent and enable you to build positive relationships with your newly acquired customers.

Filling out the deep-discount offer checklist

Previous sections talk about the various forms your deep-discount offers could take and the importance of little victories. Next, look over the five-point deep-discount offer checklist, presented in the following sections, so that you can ensure that your offer can convert leads and prospects into buyers.

Point 1: Does it lower the barrier to entry?

To start, your deep-discount offer should be low risk. The offer shouldn't be expensive, time consuming, or difficult to understand. The best offers at this stage are often impulse buys, like the pack of gum you grab while you wait in line at the supermarket. The price of your offer depends on your market. Leads shouldn't have to pause to consider whether they can afford your deep-discount offer; the price should remove that barrier. Again, the purpose of this offer is not profit. A good rule of thumb is to make these offers at \$20 or below.

Point 2: Is the value clear?

Make your deep-discount offer easy to understand. You want to be able to quickly explain the value and entice the lead into buying. Therefore, your deep-discount offer should not be complex. Impulse buys are not complicated offers.

Point 3: Is it useful but incomplete?



WARNING

The keyword here is *useful*. Your deep-discount offer should not be a bait-and-switch offer. If the deep-discount offer doesn't deliver on its promise, you'll tarnish your relationship with that customer. You may have gained a quick sale with the deep-discount offer but lost a potential lifelong customer. This offer must be useful in its own right, but it is not the whole package.

Point 4: Does it have a high perceived value?

As with the gated offer before it, use good design to create a deep-discount offer with a high-quality look and feel. You don't want your new customers to feel ripped off; instead, you want them to feel as though the deep-discount offer they just bought from you was a steal.



REMEMBER

People don't buy products and services online, but rather buy pictures and descriptions of products and services online. If you want to sell online, you need to employ design and copywriting that communicate the value of the products and services you're offering.

Point 5: Does it have a high actual value?

Be sure that your deep-discount offer makes good on its promise and delivers value. This situation builds trust with your new customers, and when they're ready to buy again, they will remember the positive experience they had with you.

Discovering your deep-discount offer

The offer you use to acquire customers likely exists inside your *core offer*, which is a higher-priced or more complex product or service. Your core offer is often your flagship product or service. Look at your core offer and see what piece or pieces can stand on their own. What can you splinter off and still deliver value with that piece?

Here are some questions to ask to help you discover your deep-discount offer(s):

- » **What's the cool gadget that your market wants, but doesn't necessarily need?** What's your impulse buy? What's your stick of gum?
- » **What's the one thing everyone needs, but doesn't necessarily want?** This can be a product or service that people know they need but aren't exactly excited about. The product may not be "sexy," but it's critical to a process that people engage in. For instance, if someone has a candle-making hobby, the wick may not be as fun or interesting as the colored waxes or scented oils, but it's an essential ingredient.
- » **What's a valuable service that you can perform quickly and inexpensively, one that will deliver results in advance and get your foot in the door?** This idea goes beyond giving someone a free quote or estimate; it gives customers a taste of how you can positively affect their lives. For example, a roofer could offer a deep discount on gutter cleaning as a deep-discount offer. After completing the job, the roofer could point out any necessary improvements that the roof or gutters need. That's a deep-discount offer that provides value first and then gets your foot in the door.
- » **What little victory or victories does your deep-discount offer provide?** How do you help the customer overcome self-doubt?

Maximizing Profit

As this chapter explains, you use ungated, gated, and deep-discount offers to acquire new customers and buyers. But when do you actually make a profit? The cost of acquiring new customers is often the most expensive one that businesses incur. After you have a buyer, asking that buyer to buy from you again makes sense. You want to turn that customer you spent so much time and money acquiring into a *repeat customer*.

The marketing campaigns you employ to sell more, or more often, to the leads and customers you've acquired are called Monetization campaigns, and these campaigns have a number of different types of offers to employ. In the following sections, we tell you how to implement and improve your monetization offers.



REMEMBER

Most companies are running monetization campaigns (making high-dollar and complex offers, which we discuss in Chapter 2) directed at ice-cold prospects and brand new leads. Although it would be fantastic to be profitable without needing to warm up a prospect with ungated, gated, and deep-discount offers, making that work is very difficult. The sequence of the offers you make to people is extremely critical to avoid being the business that is asking its prospects for too much, too soon.

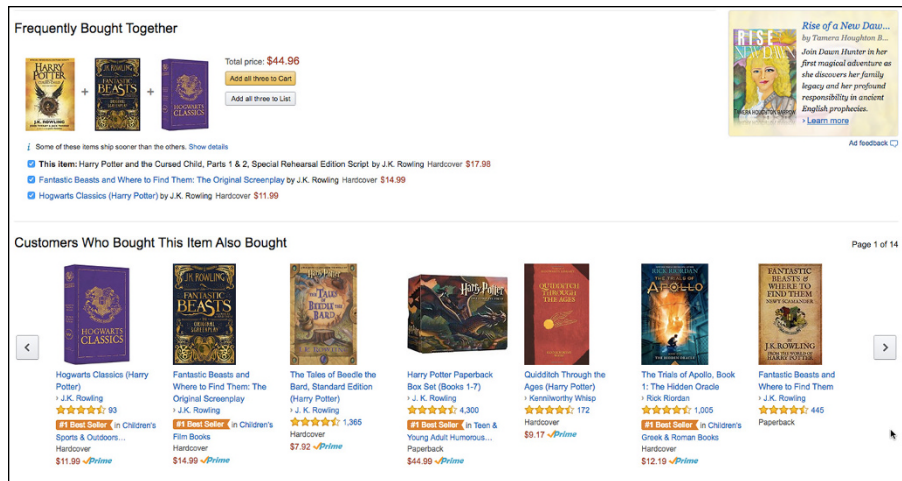
Making an upsell or cross-sell offer

The first type of monetization offer we discuss is the immediate upsell, and it's one you're probably already familiar with even if you've never heard the term. An example of the immediate upsell is the famous "Do you want fries with that?" offer made at McDonald's. Upsells offer customers more of what they already bought. The purchase they are currently making and the upsell should lead the customer to the same desired end result. In the McDonald's example, adding fries to your order gets you a bigger meal. The cross-sell offer, on the other hand, makes an offer related to the first purchase. For example, a clothing retailer might offer dress shoes to a man who just purchased a suit.

Amazon.com (and virtually every other successful online retailer) uses upsell and cross-sell offers to increase the number of items people purchase. Amazon's "Frequently Bought Together" and "Customers Who Bought This Item Also Bought" sections contain immediate upsell and cross-sell offers to help ensure the sale and possibly increase the basket size. For example, after we select a book for \$17.98, Amazon suggests other products that we may want to make with this purchase, as shown in Figure 3-8. If we accepted all the suggested upsells, the amount of our purchase would increase from \$17.98 to \$44.96.

In Figure 3-8, the item being searched for is *Harry Potter and the Cursed Child*, and Amazon offers some related Harry Potter books that would serve as an upsell and increase the basket size. But Amazon also offers cross-sells in the form of other fantasy books that may appeal to a fan of Harry Potter because they are of the same genre.

FIGURE 3-8:
Amazon expertly
uses upsells and
cross-sells to
increase the
basket size of its
customer and get
the sale.



Source: <https://www.amazon.com>

Because the cross-sell may not be as relevant to the first purchase, a cross-sell can feel like it's coming out of left field, which can be jarring to and unwanted by the customer. That's why you have to be careful with cross-sells, or you risk annoying your customers. Imagine buying a Mac computer and having Apple ask before you've even left the store whether you want to buy an iPhone or an iPad. That said, if the cross-sell truly complements the initial purchase, your customers will welcome the offer, and you'll welcome the additional revenue.

Building bundles and kits

Bundles and kits are other forms that your monetization offer can take. A bundle or a kit is taking one of your stand-alone products and combining it with other like items that you or one of your business partners sell. For example, if you sell men's razors, you might bundle the razor with a shaving kit that includes all the essential items a man needs to shave with, from the brush to the after-shave. This "essential shaving kit" will cost more than an individual razor, which increases your revenue per sale. Do you have products or services that you can combine to create a new value proposition?

Tacking on a slack adjuster

Slack adjusters can have a dramatic impact upon the bottom line. A *slack adjuster* is a product or service that you offer at a price point much higher than your typical offer. The price is generally 10 to 100 times higher than your usual offers. Although this product or service will appeal to only a very small portion of your market, those that do make this high-ticket purchase will have a dramatic impact on your revenue.

For example, Starbucks sells cups of tea and coffee, but the company also sells coffee makers. The coffee maker is far more expensive than the \$6 cup of coffee. Most people stick to their usual beverage and ignore the coffee maker, but a few buy the coffee maker. When a product is that much more expensive than the core offer, only a small number of slack adjuster sales is needed to make an impact.

Recurring billing

Sometimes called a continuity offer in digital marketing circles, a recurring billing offer charges the customer periodically — usually each month or year. This may take the form of a club or some other type of membership, or a subscription such as a monthly gym membership. In the latter case, the gym charges a membership fee 12 times a year. You also find recurring billing in content and publishing with subscriptions to Netflix or *Cosmopolitan* magazine, and in e-commerce with products like Dollar Shave Club and Birchbox. Look to your products or services and consider how you can make a sale once and get paid over and over again.

Recurring billing can be a difficult sell because of the commitment that goes along with it. To overcome this issue, clearly communicate the advantage provided by the recurring billing offer and lower the perceived risk by clearly communicating the cancellation. For instance, the cooking delivery company Blue Apron often states in its offers that you can cancel anytime. In the dating analogy earlier in this chapter, a recurring billing offer is akin to a marriage proposal. Customers must decide whether they want to commit to you for an extended period.